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SUBJECT NUMBER

AFCIAC: 12/1 Section I, Item 1 of the Agenda for the
Third Meeting of AFCIAC, held 25 August 1949.

Subject: Progress Report on Organization of AFSA.

ADMIRAL STONE stated that he had prepared a Progress Report on the Organization of the Armed Forces Security Agency (AFSA) which he wished to present to the members. He suggested that questions and comments by members could follow the presentation. (Admiral Stone read the paper which is attached as Enclosure (A)).

GENERAL CABELL remarked that he had no advice to offer, adding that AFSA seems to be a "going concern".

LT. COLONEL PETERSON observed that a great deal of work had already been accomplished.

ADMIRAL STONE stated that the plans represented the unanimous views of the three Services. He said that some slightly divergent views had been held in the beginning, but pointed out that these had now been reconciled.

ADMIRAL INGLIS observed that the report indicated that definite progress was being made, but stated that he was very much concerned about the consolidation of all COMINT activities in one station and all communications security activities in another. He said his concern was based upon the possibility of one or the other station's being destroyed by fire, explosion, sabotage, or, even more remotely possible, by enemy action. He pointed out that, if Arlington Hall Station were destroyed, there would be nothing left but cryptographic activities; on the other hand, if the Navy Communication Station were destroyed, there would be nothing left but cryptanalytic activities. He said that this appeared to him to be a very dangerous situation. He suggested that an alternate site at Brooks Field seemed desirable but doubted, in view of the Government economy program, whether that could be achieved. He asked if there were not some other way to achieve consolidation of these vital activities.

ADMIRAL STONE stated that it might be possible to provide an alternate main center in the future. He said that the lack of dispersion was recognized as a serious deficiency in the consolidation of all similar activities in the same station, but pointed out that the Directive from the Secretary of Defense requires that consolidation be effected stressing economy and efficiency. However, he stated that AFSA should begin immediately the preparation of copies of vital files and documents -- to be stored in some remote locality.

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ADMIRAL INGLIS asked Admiral Stone if it was his idea that he was forced to effect consolidation in this manner.

ADMIRAL STONE pointed out that the SECDEF Directive stipulated that the common activities of AFSA be conducted in not more than two major establishments which would be in the Washington area. He remarked that, in order to stress efficiency and economy, studies indicated that it will be necessary to allocate all COMINT to Arlington Hall and all communication security to the Navy Communication Station, and to divide Research and Development activities between the two stations.

ADMIRAL INGLIS asked how much weight was given to the inference in the Directive that all COMINT activities would be consolidated in one station, and said he would like to hear more about the reasoning which led to the decision in this regard.

ADMIRAL STONE suggested that the members hear the views of his three Deputies, and asked Captain Mason, in Captain Wenger's absence, to comment.

CAPTAIN MASON stated that one general weakness of the present (pre-AFSA) arrangement is that the individual COMINT problems are not concentrated in one place. Even though there has been effective coordination of effort on joint problems, he said, more effective treatment can be achieved with consolidation. He continued that another weakness in the division of problems is in the matter of expense. He pointed out that, in order to support a divided set-up, certain duplicate ancillary functions are necessary, such as: information and collateral sections, machine processing sections, and publication sections which make for additional expense. Captain Mason stated that the ideal solution would be to have all COMINT operations in one place, as that is the only way to achieve the aims of economy and efficiency set forth in the basic AFSA Directive. He suggested that the security weakness could be overcome by concentrating the principal COMINT problem in one station and all other COMINT problems in the other station, but he pointed out that with such a division we would fail to gain in efficiency and economy. He said he thought AFCIAC should determine the security risk involved in the consolidation plan proposed, and should determine whether efficiency and economy are considered more important than the security risk involved.

ADMIRAL INGLIS asked Captain Mason if he, as an individual, would recommend this plan of allocation on the basis of economy and efficiency.

- 4 -

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CAPTAIN MASON answered in the affirmative.

COLONEL COLLINS reiterated that considerations of economy and efficiency led to this allocation. He said that it was felt that AFSA would gain more in efficiency by the plan than by a physical division of similar activities.

COLONEL LYNN pointed out that a divided allocation plan would have required moving a great deal of heavy equipment which would have made a split set-up a more costly operation. He said that he personally felt that the plan was bad from the security viewpoint and agreed that something should be done to minimize the risk. But, he continued, any arrangement for concentrating COMINT and Communications Security activities in the Washington area is potentially dangerous. He said he felt that AFSA should plan eventually to build a plant in another less vulnerable area. He pointed out that only $4\frac{1}{2}$ miles separated Arlington Hall from the Navy Communication Station.

ADMIRAL STONE said that he did not wish to minimize the fire hazard at Arlington Hall but declared that, all things considered, in the interest of efficiency and economy, this concentration plan was indicated. He read paragraph 2a of the SECDEF Directive of 20 May 1949:

"The AFSA shall consist of such facilities, units and military and civilian personnel of the Armed Forces which are or may be used for, or engaged in communication intelligence or communication security activities, including the Headquarters, Army Security Agency, (ASA), Arlington, Virginia, the Communication Supplementary Activity (CSAW), Washington, and any comparable organizations of the Air Force, and such other facilities, units and personnel as the Joint Chiefs of Staff may determine as necessary to fulfill the functions herein assigned."

He added that by the SECDEF's directive it is required that the common activities of AFSA be conducted in not more than two major establishments. He pointed out that both of the main processing plants are already in this area, and suggested that only at very great cost could a new plant be built.

ADMIRAL INGLIS inquired if the paragraphs cited by Admiral Stone required such a functional division as had been recommended.

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CAPTAIN MASON pointed out that the SecDef directive stated "Efficiency and economy are to be stressed." He said that it would be impossible to argue that this plan was not the most efficient and economical plan. He agreed, however, that it was not the most secure plan.

ADMIRAL INGLIS observed that if AFCIAC decides to place its stamp of approval on this plan, then the security risk involved should be reported to higher authority.

ADMIRAL STONE said that he planned to submit his recommendation in a paper to the Joint Chiefs of Staff, via AFCIAC.

GENERAL CABELL suggested that Admiral Stone point out the desirable features of this plan, but also point out that it may be necessary to have an alternate plant established in another locality in the future. He said he felt we would have to organize as Admiral Stone had recommended but, from the beginning, press for another skeleton organization outside of Washington.

ADMIRAL STONE observed that we can take steps to minimize the security risk by sending all the vital files and copies of the vital machines to a location outside of Washington, in order to have a nucleus on which to rebuild in case anything happened to destroy the existing plants.

GENERAL CABELL agreed, but pointed out that this must not be an after-thought; he said that it must be started right now.

ADMIRAL STONE agreed that there is a risk in concentrating our activities, but said he felt that such a consolidation would have to be made.

COLONEL LYNN observed that if the members of AFCIAC are agreed that a location outside of Washington is essential, it would be hard to believe that we couldn't get a plant somewhere in the country. He said it made no difference to him where it was located.

CAPTAIN MASON said he didn't think we would be able to get such a plant if the policy of economy and efficiency predominates.

COLONEL LYNN said that economy would be achieved in the long run. He said he understood that the Army had plans to construct a new plant in the Denver area, and suggested that if we get together and push this request, then perhaps something could be accomplished in this direction.

ADMIRAL INGLIS suggested that more efficiency and economy could be achieved by improving the two plants in this area, but he pointed out that the stations would still be only a short distance apart.

- 6 -

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GENERAL CLARKE pointed out that dollars were going to be hard to obtain, judging from the recent economy moves in the Department of Defense.

ADMIRAL STONE asked General Clarke to comment on the fire hazard at Arlington Hall.

GENERAL CLARKE stated that the Hall had never had anything more serious than waste-basket fires in the past, but pointed out the risk of fire from an incendiary device which might be planted purposely. He said that most of the buildings were not even fire-resistant. He pointed out, however, that ASA had duplicate records of everything stored in vaults at Cumberland, Md.

ADMIRAL STONE remarked that the Navy had a similar storage vault at Crane, Indiana.

COLONEL LYNN stated that the reproduction of all those records from microfilm would be a big problem.

GENERAL CLARKE said he was prepared to accept the plan recommended by Admiral Stone.

GENERAL CABELL said he would like to offer two alternatives; (1) the establishment of two integrated plants in the Washington area; or (2) the functional establishment recommended by Admiral Stone, plus the generation of an immediate request for an alternate site on a skeleton basis outside of Washington.

ADMIRAL INGLIS asked General Cabell if this alternate site would have buildings, files, and machines in a caretaker status, but not operational, to be a stand-by for emergency.

GENERAL CABELL agreed and said that unless a physical increase in the facilities becomes necessary, the alternate site would remain on a skeleton, caretaker basis.

ADMIRAL INGLIS observed that the minute this alternate site is used as an operating plant, either efficiency is lost, or the overhead would be increased. He said that, as a general rule, it would be more efficient and more economical to expand the two plants in Washington.

GENERAL CABELL stated that, if a major augmentation of facilities is demanded, he would oppose making it in the Washington area.

ADMIRAL STONE said that the Army has plans for a fireproof building at Arlington Hall.

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GENERAL CLARKE stated that the plans had been approved by the Budget Advisory Committee but he did not have much hope of obtaining the money.

CAPTAIN MASON asked if it wouldn't be proper to state that the plan put forward here is the one in which efficiency and economy are paramount, but point out to the J.C.S. the serious security risk involved. The decision to accept the risk would have to be made on a higher level than AFSCIAC.

GENERAL CABELL said we must point out the security risk.

ADMIRAL INGLIS suggested that we report that two plans have been considered; (1) the plan suggested by Admiral Stone with an alternate skeleton site, and (2) the extension of the present Washington plants, keeping each on an integrated basis. The advantages and disadvantages of both should be described and a recommendation should be made. He said he thought some mention should be made of the fact that the plan probably would not be as economical as the SECDEF had hoped. He said he would like to see relative costs included in the paper, including the fact that Arlington Hall will probably have to be replaced.

GENERAL CLARKE said he thought that the whole operation should eventually get out of Washington.

ADMIRAL STONE said that he didn't think many of the expert technical people would move to a new remote location in peacetime.

GENERAL CLARKE said he felt certain that all the key personnel would willingly make the move. He said he wished to go on record as advocating an eventual move out of Washington.

The members moved on to a discussion of the chart "Tentative Organization AFSA Headquarters" included with the report. It was finally decided that an unbroken line should be added between JCS and AFSCIAC, and between AFSCIAC and DIRECTOR, AFSA; this unbroken line would indicate a control channel. In addition, the unbroken line between these boxes should be retained to indicate the existence of advisory channels. It was agreed that a dotted line should be shown between DIRECTOR, AFSA and the residual service agencies, this line to indicate coordination, technical supervision and support.

ADMIRAL STONE said that he would include these changes in a revised chart.

ADMIRAL STONE then stated that it was his understanding from the foregoing discussion that he was to prepare a paper for the J.C.S., via AFSCIAC, indicating the two possible ways to set up the AFSA Organization; one plan embraced two integrated plants in the Washington area, while the other plan contemplated consolidation

- 8 -
~~TOP SECRET~~

~~TOP SECRET~~

of all COMINT in one plant and all communication security activities in another; pointing out that while the latter plan is recommended, there are security risks involved - from fire, sabotage, and bombing. That provision should be made to store copies of vital documents and machines in an alternate main processing plant, possibly at Brooks Air Force Base, San Antonio, Texas, or some other location to be approved by the Joint Chiefs of Staff.

GENERAL CABELL stated that the alternate plant should be an inseparable part of the plan; i.e., Arlington Hall would handle COMINT, Navy Communication Station would take care of Communication Security activities, and a third remote plant would be set up on a caretaker basis.

ADMIRAL INGLIS said that an estimate of the cost should be included, even though it had to be a general statement to the effect that the second plan will cost less, the same, or more than the first plan.

ADMIRAL STONE asked whether Brooks Air Force Base could be considered a suitable site for an alternate plant.

COLONEL LYNN pointed out that the buildings were not fire-proof. He suggested Denver as a possible location.

GENERAL CABELL said that that location was no longer available.

ADMIRAL INGLIS suggested that the Navy Station at Farragut, Idaho might prove to be a suitable location.

ADMIRAL STONE pointed out that about 25 million dollars would be required to build a new plant, and suggested the wisdom of trying to move into a military plant already in existence.

GENERAL CABELL pointed out that such a plant should be in the vicinity of a city of 300,000 population.

ADMIRAL STONE stated that he would prepare a paper along the lines suggested at the meeting and would circulate it to all members of the Council for comment or concurrence.

DECISION:

It was agreed that Admiral Stone would prepare a paper for forwarding to the Joint Chiefs of Staff, via AFCEAC, indicating the two possible plans for setting up the AFSA Organization. The first plan envisions that the two Washington area plants would be operated on an integrated basis; the second plan contemplates the consolidation of all COMINT activities in one plant and all Communication Security activities in the other, and the establishment of a third alternate plant on a caretaker basis. Recommend the second plan, but point out the security risks involved by having the two main processing plants located in the Washington area.

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The meeting adjourned at approximately 1100.

P. J. Karl
P. J. KARL
for H. D. JONES
Secretariat, AFCIAC

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PROGRESS REPORT ON

ORGANIZATION OF

ARMED FORCES SECURITY AGENCY (AFSA)

PRESENTED BY

REAR ADMIRAL EARL E. STONE, U.S. NAVY
DIRECTOR, ARMED FORCES SECURITY AGENCY (DIRAFSA)

AT THE THIRD MEETING OF THE
ARMED FORCES COMMUNICATIONS INTELLIGENCE ADVISORY COUNCIL (AFCIAC)

AT 0930, THURSDAY, 25 AUGUST 1949

IN ROOM 2E464, NATIONAL DEFENSE BUILDING

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I have asked for this meeting of AFCIAC today in order to inform you of the progress made thus far in the organization of AFSA, and, before proceeding further, to obtain your comments on future plans.

You have been given copies of an organizational chart which depicts the proposed tentative organization of AFSA, and a list of the general functions of the principal staff divisions. Functions are not shown for the offices of operations, security, research and development or administration, since in general these responsibilities are well understood.

As indicated on the chart, I want to emphasize that the organization is tentative. Experience may dictate many changes and I expect to modify the organization accordingly. Major changes will, of course, be brought to your attention before being effected.

Initially, study groups, representing each major element of AFSA, were appointed to study the problems affecting the consolidation, and to make appropriate recommendations to the Director for the implementation of the provisions of the basic AFSA directives.

I have listed here some of the factors which the study groups were directed to consider in making their recommendations. These were:

(A) Increased efficiency, which would result from the consolidation of similar activities at one location.

(B) Space available at the Navy Communications Station and at Arlington Hall Station.

(C) The suitability of this space as to floor loading, air conditioning, power distribution, etc.

(D) The cost of moving equipment into the various locations which were under consideration.

(E) The time required to move this equipment translated into probable cost of productive effort.

These studies were quite exhaustive, and as a result of their analysis certain conclusions have been reached. I will not go into detail at this time, but I want to point out some of the chief factors which led to these conclusions.

In the studies and planning which have been conducted since my appointment, I have been ably assisted by my three Deputies, Colonel Lynn of the Air Force, Colonel Collins of the Army, and Captain Wenger of the Navy. Captain Wenger is at present hospitalized for what I hope will be a brief period, and Captain Mason of the Navy is acting in his stead.

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To initiate AFSA planning, comprehensive reports were requested and received from the three Services containing details of their cryptologic activities. The three Deputies constitute a steering group to coordinate the detailed planning data and the studies which have been made of the various cryptologic activities. In addition, they have been assigned specific functional supervisory duties, and each Deputy acts as the liaison officer with his own Service. Colonel Lynn has over-all supervision of personnel and administration, and the function of staff coordination; Colonel Collins has over-all supervision of security, and of research and development, and of communications; and the Navy Deputy has operations, and the functions of the Deputy Coordinator of Joint Operations under USCIB.

In drawing up AFSA organizational plans, the following objectives were considered paramount:

- (A) Maximum economy and efficiency to be attained.
- (B) Re-organization to be effected with minimum loss of continuity of operations.
- (C) All elements of each major division to be consolidated operationally, and to be consolidated physically insofar as practicable, initially at one or the other of the two major establishments in the Washington Area.
- (D) Duplicate administrative activities as between AFSA and the Services to be avoided, where such can be provided advantageously by one or the other.
- (E) Dividing any necessary activity between AFSA and one or more of the Services not to result in any overall increase in personnel.
- (F) Consolidation of activities now performed by two or three of the Services to result either (1) in a saving of personnel, or (2) in an increase in essential production employing the same total personnel.
- (G) Moving any component is justifiable only when costs can be balanced by compensatory increases in efficiency of operations.

A study of the various recommendations and alternatives proposed by the best qualified planning personnel of the 3 Services, leads to the following preliminary general conclusions:

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(A) Insofar as practicable all COMINT activities should be consolidated at Arlington Hall Station, Virginia

(B) All security activities should be consolidated insofar as practicable at the Navy Communication Station, Washington.

(C) Research and development activities should be located at both stations.

(D) The headquarters of AFSA should be located at the Naval Communication Station, Washington.

(E) The majority of the administrative components should be at the same location as the headquarters, namely Navy Communication Station, Washington.

The following facts have been considered before making the above conclusions:

(A) Except for one temporary building, the Navy Communication Station is of permanent construction, and is much more nearly fireproof than Arlington Hall Station, which is essentially of temporary construction.

(B) Floor space at the Navy Communication Station usable for offices and operations totals approximately 245,000 square feet.

(C) Arlington Hall Station has approximately 430,000 square feet of usable space which is ample to accommodate all COMINT, plus such individual service activities as may remain on the Station, necessary research and development component, administration component, and still provide space for a COMINT evaluation center, which may have to be located at the station where the master COMINT files are produced and maintained.

(D) Consolidation of COMINT would require more floor space than could be made available immediately at the Naval Communication Station.

(E) Considerably greater expense would be entailed in moving the shop equipment and printing plant required for security activities from the Naval Communication Station to Arlington Hall, than in moving similar equipment from Arlington Hall Station to the Navy Communication Station. This greater expense is due not only to moving the machinery but in preparation of special foundations and power supply and distribution at Arlington Hall.

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It is recognized that the general plan which I have presented has certain serious deficiencies, one being lack of dispersion. This should be overcome in the future by providing an alternate main cryptologic center, possibly at the Air Force Security Headquarters, Brooks Field, Texas, to be manned in case of destruction of either or both of the stations in the Washington area, or in anticipation of a national emergency. At the alternate center provision could be made for accumulating important files, and duplicates of vital documents, and spares of vital special cryptanalytic machinery and cryptographic devices.

This chart indicates the headquarters organization for AFSA. It is accompanied by a brief listing of functions of the staff divisions. The general functions of the four offices will be apparent.

My personal attention and that of the Deputies is currently being given to the placing of all key personnel in the Washington area. Our endeavor will be to assign the best qualified personnel available to key positions, but to minimize personal hardships so far as practicable. In this connection, some of you have received a copy of my memorandum of 3 August 1949, subject "Civilian employees at the Army Security Agency and Navy Communication Station", in which I stated that every effort would be made to conserve all of our personnel by transferring them when necessary and possible from one AFSA activity to another AFSA activity, preferably in the same general area and, so far as feasible, without lowering civil service classification. I did not consider it necessary to make a similar statement concerning the military personnel. However, the same principle will govern their assignment or re-assignment.

Initially it appears that most of the top assignments will have to be divided between the Army and the Navy because those are the Services which have most of the qualified personnel. However, it is my desire to have the work load shared equally by the three Services as soon as that becomes possible. In order to keep the organization an active one which will be responsive to changing world conditions -- and be able to meet operational requirements, I intend to have certain of the key assignments made rotational on a 2 - 3 year term of office basis -- as my own detail has been set up.

At the next meeting, which I wish to have on Thursday, 8 September, at 0930, I expect to be able to present specific detailed recommendations as to the initial composition, organization, and physical location of the major elements of AFSA, as required by the proposed directive to the Director which this Council has submitted to the Joint Chiefs of Staff for approval. In the meantime I expect to announce a tentative slate of all key personnel for AFSA who will be employed in the Washington area.

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This afternoon I expect to present this same report to all key cryptologic personnel of the three Services who are in this area, and to give them an opportunity to discuss the proposed organization and ask questions thereon.

In closing my remarks I wish to express my appreciation for the whole-hearted support and cooperation which I have received from all concerned in the three Services. Now I will appreciate receiving your comments and advice.

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